

UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UACIM BOARD OF TRUSTEES MEETING

MINUTES

January 30, 1998, 9:30 a.m.

Utah Association of Counties Offices

BOARD MEMBERS PRESENT

Gary Herbert, *President*, Utah County Commissioner
Jerry Hess, *Vice President*, Davis County Deputy Attorney
Dan McConkie, *Secretary/Treasurer*, Davis County Commissioner
Tony Dearden, Millard County Commissioner
Chad Johnson, Beaver County Commissioner
Ty Lewis, San Juan County Commissioner
John Swasey, Duchesne County Commissioner

BOARD MEMBERS ABSENT

Monte Munns, Box Elder County Assessor-Treasurer
Tex Olsen, Sevier County Commissioner

OTHERS PRESENT

Kent Sundberg, Chairman, Litigation Management Committee
Brent Gardner, UAC Executive Director
Brett Rich, Director, UACIM
Shawn Guzman, Loss Control Manager
Sonya White, Executive Assistant
John Chino, GRMS Account Executive
Doug Alexander, McLaren's Toplis Claims Administrator

CALL to ORDER

Gary Herbert called the meeting to order and welcomed those in attendance.

REVIEW of BOARD MEMBERS ABSENT

Monte Munns requested that the Board excuse him from this meeting due to his participation today in the drafting of a Utility Rule by the Tax Commission. Tex Olsen requested that the Board excuse him from this meeting because he is ill. Tony Dearden made a motion to excuse Monte and Tex from this meeting. Jerry Hess seconded the motion, which passed unanimously.

APPROVAL of DECEMBER 11, MINUTES

The minutes of the Board of Trustees meeting held on December 11, 1997 were previously sent to the Board Members for review. John Swasey made a motion to approve the minutes as written. Ty Lewis seconded the motion, which passed unanimously.

LOSS CONTROL REPORT

Shawn Guzman reported on his loss control activities (see attachment #1). In his meeting with Doug Slagowski of POST, they discussed ways to get more departments involved in additional training for the Sheriffs. POST is seeing the same departments attend training—the larger counties who have the manpower to cover for deputies attending the training and those departments who are closer to the course in Salt Lake. Apparently the State does not want to move the course outside of the Wasatch Front. The Board directed Shawn to discuss with the Sheriffs at their Association meeting today what steps need to be taken to conduct the corrections and POST training outside the Wasatch Front.

Shawn suggested that the Board consider reallocating some of the premium credits in the Risk Management Program to the sections of law enforcement giving more incentive in the areas most needed. The Board directed Shawn to draft changes to the Risk Management Program as needs arise and present to the Board for approval.

Shawn is in the process of scheduling a two-day personnel-training session to review the member county personnel policies and procedures. He is in the process now of assisting Piute and Wayne counties in drafting their policies. Jerry Hess and Kent Sundberg are reviewing the Joint Policy on County Driver Review language. Once Shawn receives their input, he will draft the revised Policy for the Board to review.

Issues relating to county controlled and/or funded Fire Departments was discussed and the Board directed Shawn to determine what are the exposures to the Mutual.

Shawn reported that he would like to see the Mutual co-sponsor a Citizen Planner Training Session in Southern Utah. Ty Lewis stated that the AOG's conduct training for planning commission members in the area of planning and zoning. Shawn will contact the AOG's so not to duplicate the effort.

FOURTH QUARTER BROKERAGE PERFORMANCE EVALUATION

The Board reviewed the checklist for Arthur J. Gallagher's compliance to the Performance Standards for the fourth quarter 1997. Chad Johnson made a motion to grant the performance bonus of \$5,000 to Arthur J. Gallagher. Ty Lewis seconded the motion, which passed unanimously. Dan McConkie made a motion to amend the prior motion's terminology *bonus* to *incentive*. Tony Dearden seconded the motion, which passed unanimously.

DRAFT BYLAWS CHANGES

Pursuant to the Boards request at the December 11, 1997 meeting, Brett Rich drafted proposed changes to the Bylaws (see attachment #2). Article 5.2 was rewritten to expand the number of Trustees by two positions which would be reserved for the Chair of the Litigation Management Committee and the Chair of the Law Enforcement Committee. The change in Board of Trustees will require a hearing before the Insurance Commissioner. Language in Article 5.5 has been added to address the nominating process of the Board of Trustees. Language in Article 6.1 has been added to combine the office of Secretary and Treasurer. Other incidental and clarifying corrections and changes were made to the Bylaws. Tony Dearden made a motion to submit the proposed Bylaw amendments to the membership for review and approval at the next membership meeting in April. Jerry Hess seconded the motion, which passed unanimously.

TENANT USER LIABILITY INSURANCE PROGRAM

Pursuant to the Boards request at the December 11, 1997 meeting, Brett Rich sent a letter to all the member county commission/council chairs and insurance coordinators explaining and reiterating the importance of the members' use of TULIP. The Board also discussed the importance of county officials attending the Olympic Venue meetings to coordinate efforts during the 2002 Winter Olympics.

1998 CONTRACTS

ACCOUNTING. Brett Rich explained that he assisted Dennis Larson of Larson & Company in obtaining Errors and Omissions Insurance. The cost of the insurance is \$5,500. Instead of offering to assist in the cost of this coverage, as discussed by the Board at the December 11, 1997 meeting, Brett agreed to advance Larson & Company \$5,500 of their \$17,576 annual contract fee. Dan McConkie made a motion to ratify Brett's decision to advance \$5,500 to Larson & Company. John Swasey seconded the motion, which passed unanimously.

ACTUARIAL. Brett explained that Coopers & Lybrand have sent revisions to the contract from their legal department in New York. Coopers uses a *Letter of Understanding* with all their clients so the Mutual's contract is something new. Delays have occurred due to language changes and corrections. Brett expects to have the complete contract within the next week but emphasized the urgency of the situation because the actuarial opinion must be completed before March 1, 1998. Ty Lewis made a motion to approve the contract to be signed, upon the review of Kent Sundberg. Chad Johnson seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

Ty Lewis made a motion to set the date and time for a closed meeting to begin at 1:12 p.m. on January 30, 1998, to discuss pending or reasonably imminent litigation. Tony Dearden seconded the motion, which passed unanimously.

Chad Johnson made a motion to conclude the closed meeting at 1:45 p.m. on January 30, 1998. Jerry Hess seconded the motion, which passed unanimously.

ACTION on LITIGATION MATTERS

Chad Johnson made a motion to add Nelson & Senior to the approved defense attorney list. Tony Dearden seconded the motion, which passed unanimously.

Jerry Hess made a motion giving the authority to tender defense in the matter of claim number 801BOX968255. Dan McConkie seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

John Swasey made a motion to set the date and time for a closed meeting to begin at 1:48 p.m. on January 30, 1998, to discuss the character, professional competence or physical or mental health of an individual. Dan McConkie seconded the motion, which passed unanimously.

Chad Johnson made a motion to conclude the closed meeting at 2:10 p.m. on January 30, 1998. Tony Dearden seconded the motion, which passed unanimously.

OTHER BUSINESS

The next meeting of the Board of Trustees will be held on February 20, 1998 at 12:00 noon at the UAC Offices.

AFFIDAVIT OF GARY R. HERBERT

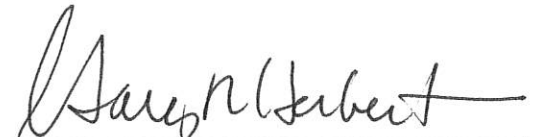
STATE OF UTAH)
)
:SS
COUNTY OF SALT LAKE)

Gary R. Herbert, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.
2. That the Affiant, on or about the _____ day of _____, 1998, presided over a meeting of the Utah Association of Counties Insurance Mutual Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.
3. That a quorum of the Utah Association of Counties Insurance Mutual Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.
4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

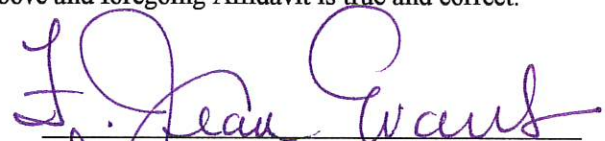
FURTHER, Affiant saith not.

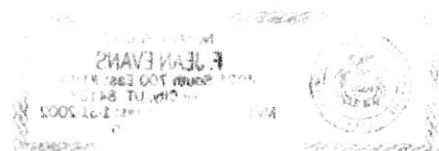
DATED this 30th day of January, 1998.

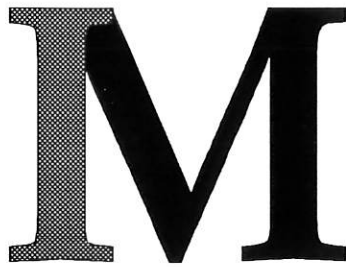

GARY R. HERBERT, President
Utah Association of Counties Insurance Mutual

On the 30th day of January, 1998, personally appeared before me Gary R. Herbert, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.




NOTARY PUBLIC
Residing at: Salt Lake City, UT
My Commission Expires: 1-31-2002





UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

Memorandum

To: UACIM Board
CC:
From: Shawn Guzman, Loss Control Manager
Date: 01/30/98
Re: Loss Control Report for January 1998

POST TRAINING

I met with Doug Slagowski from POST regarding training for Sheriff's Officers. We are currently working on getting a POST certified instructor in the southern part of the state (Washington County). We are also working on encouraging Sheriff's Officers to attend a Small Agency Skills Workshop in June. Small Agency Skills includes EVO courses as well as firearms training and arrest control techniques and legal training in arrest procedures and pursuits.

Proposal: Should the premium credits be reallocated to reward those counties who send officers to the Small Agency Skills Workshop? How much weight should be given?

PERSONNEL TRAINING (MAY 1998)

I met with Steve Baker, Chair of the Personnel Committee, and we are in the planning stages for a spring personnel conference. We are soliciting input from the personnel directors on workshops and will decide whether it should be one or two days.

We discussed the possibility of holding it in conjunction with the UAC meetings in Richfield but decided against it due to possible conflicts with UAC meetings and lack of space.

CONFIDENTIAL

This training should be very helpful in updating personnel policies and will be a great opportunity for the directors to meet one another so members feel comfortable in using each other as a resource.

REPORT ON PROPOSED CHANGES TO DRIVER POLICY

Kent and Gerry have the proposed changes on the driver policy. Once I receive their input, I will present a final draft for the board. (1/9)(1/12)

ACTIVITIES IN JANUARY:

Premium Credits

The premium credits for 1998 were completed and notices sent out to the counties who qualified:

1.	San Juan:	56.5%	\$2007
2.	Juab:	0%	
3.	Iron:	62%	2875
4.	Emery:	67.8%	4175
5.	Washington:	0%	
6.	Utah:	80%	7265
7.	Uintah:	52.5%	2802
8.	Sanpete:	40.5%	1110
9.	Davis:	65.5%	5938
	Total		\$26,172

In 1998, all counties will receive a "Self Evaluation Workbook" which will be reviewed with the insurance contact identifying the areas with which the county is not in compliance.

1/12 Met with Davis County Risk Management Team

The purpose of this meeting was to meet with the Team in an attempt to identify ways to reduce auto accidents, especially with the Sheriff's Office. It was suggested that the Mutual should conduct a study of the various Offices around the state and find out what is causing the increase in accidents as well as to compare Offices of similar size. I believe this is a good idea for the informational value, however I was disappointed that we were not able to discuss interim ideas. I will follow up through the Law Enforcement Committee.

1/14-15 Employment Law Seminar

I attended an employment law seminar in SLC. It was very informative and I received materials that will be helpful in conducting the personnel meeting in May.

1/16 Citizen Planner Seminar in Tooele.

I attended the first half of the Citizen Planner Seminar conducted by the University of Utah Center for Public Policy and Administration. I will be attending the second half of the seminar in February. The mutual's Risk Management Program gives 4% of the 8% credit available in the area of planning and zoning to counties if planning commission members attend training sessions. This program appears to be an excellent opportunity for planning commission members to review the law. I would like to co-sponsor a training session in Southern Utah.

1/22 Wayne County

I met with Sandra Rees regarding the implementation of personnel policies and procedures. The county commissioners had previously given their approval to begin drafting the policies. I also discussed the formation of policies for the Sheriff's Office with Sheriff Torgerson. I met with Ted Taylor of the roads department to discuss policies for the roads department.

1/22 Piute County

While travelling from Wayne to Washington County, I visited Piute County to introduce myself to Valeen Brown. While visiting with her, I discovered that Piute County does not have any personnel policies and procedures. Valeen indicated that the county commission might be ready to implement personnel policies. I will be visiting with the commissioners on February 9. With their approval, I will work with the county to draft the policies.

1/23 Washington County

I met with the newly formed safety committee and with some members of the accident review board. I explained the basic operation of the safety committee and accident review board and reviewed the Risk Management Program requirements for the safety committee/accident review board. I toured the road department facility and visited with Pete Kuhlman from the Sheriff's Office. I discussed with Pete the possibility of Washington County sending officers to the Small Agency Skills Workshop as well as officers to the Certified Instructor Program. Pete indicated that Washington County would be willing to do so. There are no certified instructors south of Utah County, and Pete indicated that Washington County would be willing to help with training for surrounding counties.

1/28 Roads School Planning Committee

1/29 Joint Highway Committee

The Joint Highway Committee appointed a committee to develop AASHTO alternative standards for some county roads. Clyde Naylor will chair the committee.

We received several recommendations for workshops for the half-day counties-only seminar in St. George.

1/30 Sheriff's Association Meeting

UAC INSURANCE MUTUAL

LOSS FUND

COUNTY	1994	1995	1996	TOTAL	%	COMPARE		LESS	ADJUSTED	AVERAGE	1997	1998	without 5% cap
						1996	ADJUSTMENTS		LOSSES	LOSSES	LOSS FUND	LOSS FUND	
Beaver	7,397	20,453	89,553	117,403	3.1	91,394	20,000		97,403	32,468	27,603	28,983	61,983
Box Elder	55,863	69,449	19,279	144,591	3.9	-265,402	5,000		139,591	46,530	119,863	113,870	88,830
Cache	151,960	18,864	110,080	280,904	7.5	-23,911	116,955		163,949	54,650	134,358	127,640	104,330
Davis	163,585	98,027	179,445	441,057	11.8	-85,284	94,696		346,361	115,454	169,250	177,713	220,409
Duchesne	30,774	17,714	26,384	74,872	2.0	-76,714	0		74,872	24,957	51,333	48,766	47,645
Emery	83,281	13,032	77,710	174,023	4.6	39,129	67,367		106,656	35,552	122,436	116,314	67,871
Garfield	2,477	27,500	12,354	42,331	1.1	26,416	2,500		39,831	13,277	35,792	34,002	25,347
Grand	2,938	2,858	34,086	39,882	1.1	-38,840	0		39,882	13,294	54,228	51,517	28,379
Iron	129,051	30,411	2,917	162,379	4.3	-381,784	96,582		65,797	21,932	98,630	93,699	41,870
Juab	69,346	5,631		74,977	2.0	-2,500	9,110		65,867	21,956	50,019	47,518	41,915
Kane	7,777	6,992	21,000	35,769	1.0	15,341	0		35,769	11,923	30,804	29,264	22,762
Millard	21,738	109,783	40,833	172,354	4.6	130,665	33,230		139,124	46,375	43,003	45,153	88,532
Pulte	0	0	2,250	2,250	0.1	2,250	0		2,250	750	6,686	6,352	1,432
Rich	1,630	1,599	1,947	5,176	0.1	1,147	0		5,176	1,725	16,953	16,105	3,294
San Juan	8,957	74,302	41,216	124,475	3.3	18,269	22,040		102,435	34,145	58,853	61,796	65,185
Sarpele	39,974	2,712	4,134	46,820	1.2	-7,911	0		46,820	15,607	56,430	53,609	28,794
Sewier	22,863	12,455	8,170	43,488	1.2	9,916	0		43,488	14,496	33,955	32,257	27,674
Uintah	186,894	54,375	50,186	291,455	7.8	-30,716	59,739		231,716	77,239	105,182	110,441	147,454
Utah	195,093	177,832	242,937	615,862	16.4	110,421	182,800		433,062	144,354	171,222	179,783	275,581
Wasatch	144,411	53,121	26,914	224,446	6.0	193	83,399		141,047	47,016	67,227	70,588	89,756
Washington	163,913	67,626	18,145	249,684	6.7	-66,310	92,500		157,184	52,395	122,813	116,672	100,025
Wayne	202	0	23,831	24,033	0.6	23,831	0		24,033	8,011	15,722	15,294	15,294
Weber	143,711	173,912	43,627	361,250	9.6		95,815		265,435	88,478		168,911	168,911

TOTALS 1,633,836 1,038,649 1,076,998 3,749,483 981,733 2,767,750 922,583 1,592,362 1,746,247 1,761,274

UAC INSURANCE MUTUAL

EXCESS

COUNTY	TOTAL INSURABLE VALUE	PREMIUM PROPERTY	NUMBER OF VEHICLES	PREMIUM AUTO LIAB	TOTAL EXPENDITURES	PREMIUM LIABILITY	NUMBER OF EMPLOYEES	PREMIUM E&O	PREMIUM EXCESS	%
Beaver	16,252,630	2,828	39	3,860	3,458,187	971	50	1,628	9,287	2.0
Box Elder	27,782,881	4,833	129	12,769	18,468,370	5,184	152	4,950	27,736	5.9
Cache	27,020,729	4,701	173	17,124	18,401,906	5,165	200	6,513	33,503	7.1
Davis	51,930,614	9,034	213	21,084	40,200,000	11,284	563	18,333	59,735	12.6
Duchesne	24,712,054	4,299	103	10,195	6,450,000	1,810	144	4,689	20,994	4.4
Emery	12,478,584	2,171	121	11,977	10,796,964	3,031	156	5,080	22,259	4.7
Garfield	8,599,320	1,496	46	4,553	4,518,398	1,268	85	2,768	10,086	2.1
Grand	10,507,134	1,828	50	4,949	9,589,616	2,692	120	3,908	13,377	2.8
Iron	25,088,993	4,365	88	8,711	8,512,470	2,389	207	6,741	22,206	4.7
Juab	17,791,757	3,095	66	6,533	3,257,593	914	55	1,791	12,334	2.6
Kane	7,064,920	1,229	49	4,850	2,200,000	618	54	1,758	8,455	1.8
Millard	17,879,148	3,110	116	11,482	10,996,311	3,087	110	3,582	21,261	4.5
Plute	4,253,217	740	22	2,178	1,169,000	328	24	782	4,027	0.8
Rich	2,826,404	492	35	3,464	1,444,378	405	39	1,270	5,632	1.2
San Juan	15,931,600	2,772	152	15,046	10,489,331	2,944	127	4,136	24,897	5.3
Sanpete	5,817,951	1,012	55	5,444	5,109,137	1,434	82	2,670	10,561	2.2
Sevier	14,377,318	2,501	97	9,602	8,571,000	2,406	90	2,931	17,439	3.7
Uintah	31,901,956	5,550	106	10,492	24,700,000	6,933	200	6,513	29,488	6.2
Utah	73,896,168	12,856	213	21,084	44,001,145	12,351	623	20,287	66,578	14.0
Wasatch	15,332,057	2,667	87	8,612	5,181,403	1,454	126	4,103	16,836	3.6
Washington	26,026,571	4,528	115	11,383	32,572,500	9,143	200	6,513	31,567	6.7
Wayne	3,288,947	572	41	4,058	1,995,125	560	16	521	5,712	1.2
Weber	75,536,286	13,141	117	11,581	57,647,642	16,181	683	22,241	63,145	13.3
TOTALS	516,297,239	89,821	2,233	221,033	329,730,476	92,552	4,106	133,707	537,114	

UAC INSURANCE MUTUAL

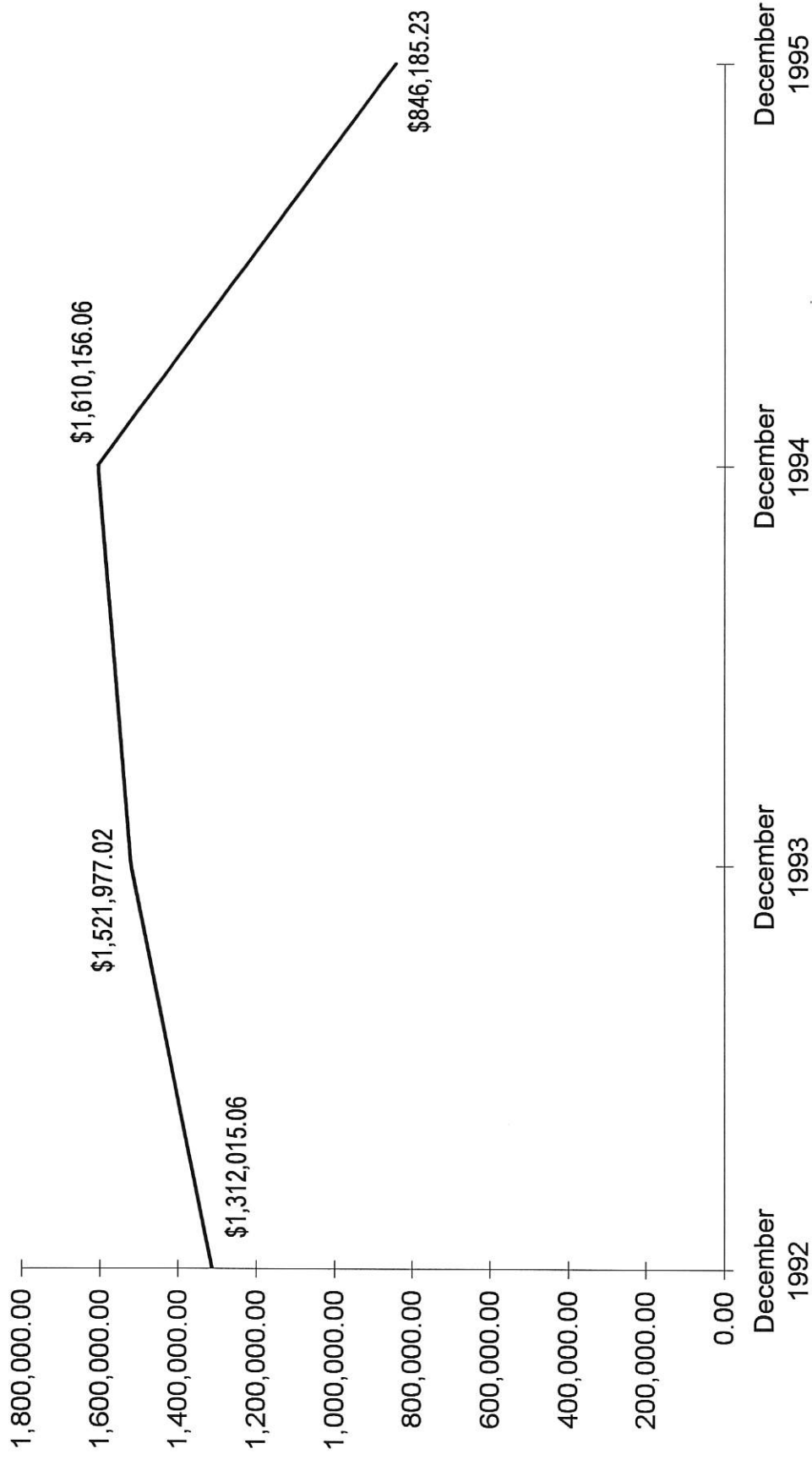
EXPENSE

TOTALS

COUNTY	PRO-RATA	PER MEMBER	PREMIUM EXPENSE	%	1996 PREMIUM	1997 PREMIUM	1998 PREMIUM	% VARIANCE
Beaver	9,106	11,091	20,197	2.9	59,350	57,883	58,467	2.1
Box Elder	33,693	11,091	44,784	6.4	205,051	196,010	186,390	6.8
Cache	38,341	11,091	49,432	7.0	217,715	216,356	210,576	7.6
Davis	56,497	11,091	67,588	9.6	281,131	287,812	305,036	11.1
Duchesne	16,598	11,091	27,689	3.9	95,455	99,073	97,450	3.5
Emery	32,971	11,091	44,062	6.3	227,427	216,056	182,635	6.6
Garfield	10,490	11,091	21,581	3.1	64,768	68,006	65,669	2.4
Grand	15,440	11,091	26,531	3.8	87,925	92,321	91,424	3.3
Iron	27,577	11,091	38,668	5.5	168,363	161,636	154,572	5.6
Juab	14,241	11,091	25,332	3.6	82,413	86,226	85,183	3.1
Kane	8,975	11,091	20,066	2.9	66,234	62,922	57,785	2.1
Millard	15,802	11,091	26,893	3.8	92,461	89,182	93,308	3.4
Piute	2,469	11,091	13,560	1.9	14,375	15,578	23,939	0.9
Rich	5,172	11,091	16,263	2.3	36,451	38,274	38,000	1.4
San Juan	20,627	11,091	31,718	4.5	108,595	113,106	118,411	4.3
Sanpete	15,268	11,091	26,359	3.8	101,226	96,165	90,528	3.3
Sevier	11,824	11,091	22,915	3.3	73,007	76,657	72,612	2.6
Uintah	33,294	11,091	44,385	6.3	161,373	169,442	184,314	6.7
Utah	58,617	11,091	69,708	9.9	274,562	288,290	316,069	11.5
Wasatch	20,801	11,091	31,892	4.5	108,024	114,093	119,317	4.3
Washington	35,271	11,091	46,362	6.6	193,030	194,370	194,601	7.1
Wayne	4,998	11,091	16,089	2.3	33,803	35,493	37,095	1.3
Weber	55,214	10,609	65,823	9.4			297,878	
TOTALS	488,073	254,611	797,897		2,752,739	2,774,951	3,081,258	306,307

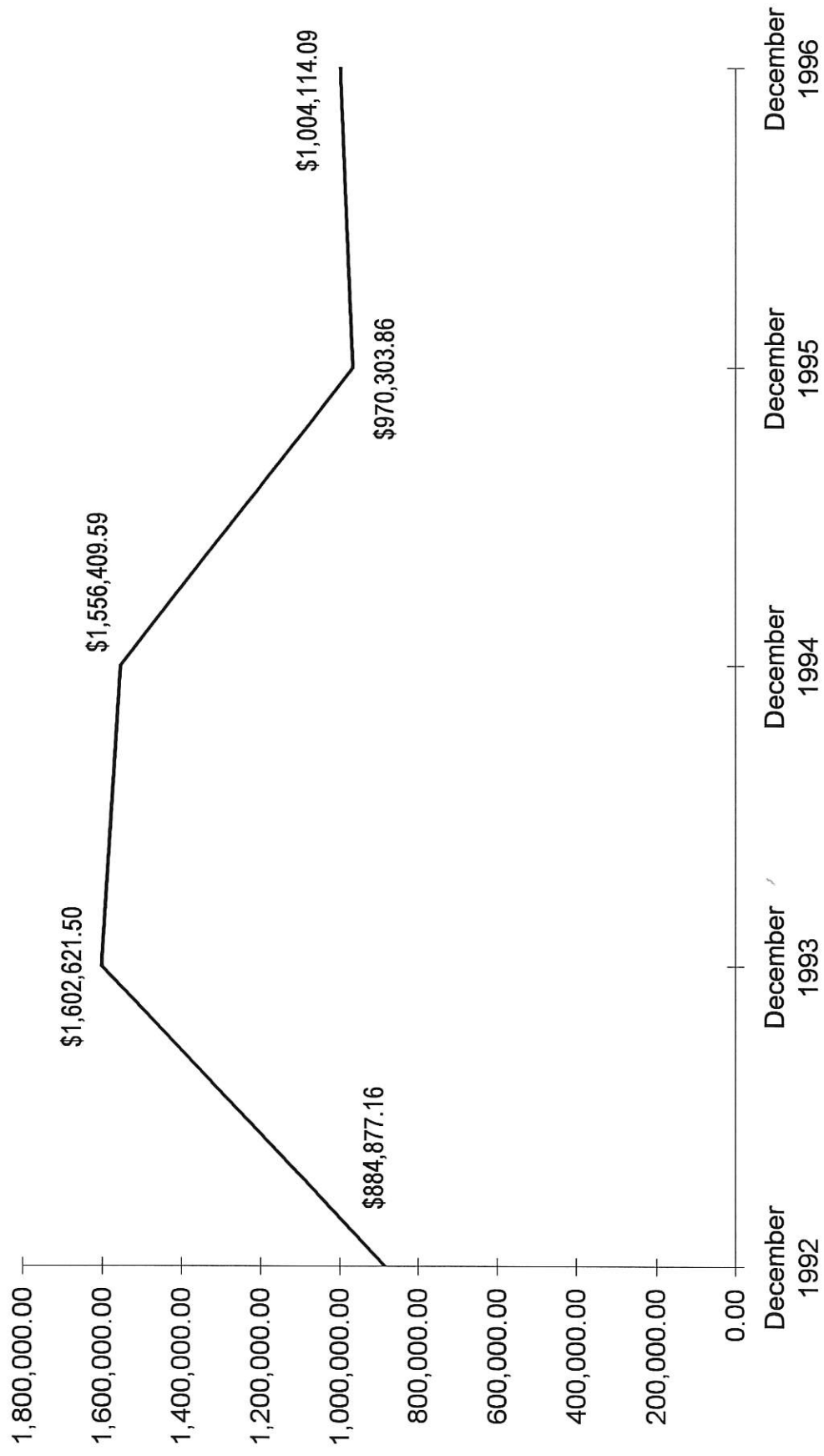
UAC Insurance Mutual

Total Incurred Comparison at 36 Months



UAC Insurance Mutual

Total Incurred Comparison at 24 Months



UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

BROKER REVIEW AND FEE CALCULATION - MULTI-LINE POOL

Policy Period: January 1, 1998 to December 31, 1998

	Coverage	Premium	Commission to AJGCo.	Commission to Other AJGCo. Entities	Broker Fee
Kemper Insurance Co. Policy #3XN02682500	Boiler & Machinery	\$20,701	\$3,105	\$1,035	\$0
Guarantee National Policy #UMC1010250	Umbrella	45,000	4,500	900	0
Hartford Insurance Co. Policy #83XLSQG1823	DIC	36,000	3,600	1,800	0
Savers P&C Policy #NP00000047	Directors' & Officers'	5,300	530	0	0
Total Premium and Revenue		\$107,001	\$11,735	\$3,735	\$0

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

BROKER REVIEW AND FEE CALCULATION - MULTI-LINE POOL

Policy Period: January 1, 1998 to December 31, 1998

Carrier and Policy Number	Coverage	Premium	Commission to AJGCo.	Commission to Other AJGCo. Entities	Broker Fee
Great American Policy #GLP2001097 CAP2001096	Package	\$473,969	\$0	\$9,479	\$85,000
Total Premium and Revenue		\$473,969	\$0	\$9,479	\$85,000

AMENDED BYLAWS FOR THE UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL

These Amended Bylaws are adopted and entered into by and among Members of the Utah Association of Counties Insurance Mutual, each of which hereby agrees to abide by the terms and conditions of these Amended Bylaws and all actions taken pursuant hereto.

ARTICLE 1. Authority.

- 1.1 These Bylaws are amended pursuant to the provisions of Section 4 of the Amended Interlocal Cooperation Agreement.

ARTICLE 2. Definitions.

As used in this Agreement, the following terms shall have the meaning hereinafter set out:

- 2.1 Administrator. Utah Association of Counties
- 2.2 Agreement. The Amended Interlocal Cooperation Agreement for Utah Association of Counties Insurance Mutual.
- 2.3 Articles. The Articles of Incorporation of the Mutual.
- 2.4 Board of Trustees or Board. The Board of Trustees of the Mutual.
- 2.5 Bylaws. The Amended Bylaws for Utah Association of Counties Insurance Mutual.
- 2.6 Code. The Utah Insurance Code, including Utah Code Ann. Title 31A, as amended from time to time.
- 2.7 Member. A Utah county which is a party to the Amended Interlocal Cooperation Agreement.
- 2.8 Mutual. Utah Association of Counties Insurance Mutual.
- 2.9 Representative. The person designated pursuant to Article 11.1b² to be a Member's official representative for the purposes of the Mutual.
- 2.10 Trustee. A person serving on the Board.

ARTICLE 3. Mutual.

- 3.1 The Mutual is a public agency insurance mutual and a political subdivision of the State of Utah as provided by law.

- 3.2 The Mutual is formed, financed, organized, and shall operate in accordance with the Amended Interlocal Cooperation Agreement, the provisions of these Bylaws and the Articles of Incorporation of the Mutual.
- 3.3 The Mutual may sue and be sued, complain and defend, in its corporate name.
- 3.4 The Mutual is not an assessable mutual.
- 3.5 These Amended Bylaws may be amended and shall continue in effect for a period of fifty years from the adoption date of the original Bylaws, at which time, they shall terminate unless renewed as permitted by law, or until earlier dissolved as provided herein.
- 3.6 The Mutual shall have all powers necessary or desirable to achieve the purposes of the Mutual as set forth in the Amended Interlocal Cooperation Agreement, the Articles of Incorporation and these Amended Bylaws.

ARTICLE 4. Members.

- 4.1 Membership in the Mutual is limited to those counties which are Members of the Utah Association of Counties and which properly enter into the Amended Interlocal Cooperation Agreement.
- 4.2 Counties, including former Members, may be admitted to the Mutual after its formation only upon approval of the Board and subject to the conditions set out in the Agreement, these Bylaws and such additional conditions as the Board may from time to time require.
- 4.3 The Members shall have the power to:
 - a. Elect Trustees pursuant to Article 6 5.
 - b. Remove any Trustee from the Board by a two-thirds vote of the Members present at a meeting.
 - c. Voluntarily dissolve the Mutual, but only at a meeting at which a majority of all Members, whether present at the meeting or not, vote in favor of the dissolution;
 - d. Amend the Bylaws by a two-thirds vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least thirty days in advance of the vote thereon.
 - e. Amend the Articles of Incorporation by a two-thirds vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least thirty days in advance of the vote thereon.

- 4.4 Members shall meet at least once annually. Specials meetings of the Members may be called by the Board or President pursuant to a procedure to be established by the Board, or upon written request executed by at least thirty percent (30%) of the Members.
- a. Notice of any Member meeting shall be mailed by the Administrator to each Member at least fifteen days in advance.
 - b. The President or Vice President of the Board shall preside at the meeting, or the President's designee if both the President and Vice-President are not present at said meeting.
 - c. A majority of the Members shall constitute a quorum to do business.
 - d. Proxy voting shall not be allowed.
 - e. Each Member shall be entitled to one vote, to be cast by its representative.
 - f. The location of meetings of Members will be as determined from time to time by the Board.
- 4.5 Members shall have the obligation to:
- a. Pay promptly all premiums and other payments to the Mutual at such times and in such amounts as shall be established in accordance with these Bylaws, including any interest and penalties for late payment as may be required by a policy adopted by the Board.
 - b. Designate in writing a representative and one or more alternate representatives for the Members' meetings. Each representative and alternate representative must be an elected or appointed officer or employee of a Member and must be appointed by majority vote of the governing body or by the county executive of the Member to be the Member's official representative for the purposes of the Mutual. An alternate representative may exercise all the powers of a representative during a Member meeting, in the absence of the representative.
 - c. Allow the Mutual and its Administrator, Director, agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Mutual and implementation of the Agreement.
 - d. Cooperate fully with the Mutual's attorneys and Administrator, and any other agent, contractor, employee or officer of the Mutual in activities relating to the purposes and powers of the Mutual.
 - e. Provide information requested by the Mutual, its Administrator, and any other agent, contractor, employee or officer of the Mutual, as reasonably required for the administration of the Mutual.

- f. Allow the Mutual, and attorneys and others designated by the Mutual, to represent the Member in the investigation, settlement and litigation of any claim within the scope of loss protection furnished by or through the Mutual and also to deny coverage for any claims settled by Member counties or for any monies paid by Member counties toward claims without the prior written approval of UACIM.
- g. Follow the claims, loss reduction and prevention, and risk management policies and procedures established by the Board.
- h. Report to the Mutual, in the form and within the time required by the Board, all incidents or occurrences which could reasonably be expected to result in the Mutual being required to consider a claim.
- i. Report to the Mutual, in the form and within the time required by the Board, the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities.

ARTICLE 5. Board of Trustees.

- 5.1 The Board shall be composed of ~~nine~~ eleven persons, ~~elected by the Members.~~
- 5.2 Each Trustee shall be an elected or appointed officer or an employee of a Member. At least one Trustee shall serve on the Board of Directors of the Utah Association of Counties. Three Trustees shall be representatives from first, second, or third class counties and three Trustees shall be representatives from fourth, fifth or sixth class counties, as defined in Utah Code Ann. §17-16-13. The remaining ~~three~~ of the remaining Trustees shall be elected at large. The final two Trustee positions shall be reserved for the Chair of the Litigation Management Committee and the Chair of the Law Enforcement Committee, which positions shall be appointed by the Board. No person convicted of a felony may serve as a Trustee.
- 5.3 Election of Trustees shall take place at the annual meeting of the Members. Elected Trustees shall assume office at the first Board meeting following their election.
- 5.4 Terms of the elected Trustees shall be two-year overlapping terms.
- 5.5 Any Member or Trustee may nominate eligible persons to run for available Trustee positions. Nominations will be received at the UACIM office no later than 14 days prior to the meeting at which the election is scheduled. UACIM will verify that each person nominated is willing to serve if elected before placing that persons name on the ballot. The person conducting Trustee elections shall also call for nominations from the floor and accept such nominations provided that the nominee expresses, or has expressed in writing, a willingness to serve if elected.
- 5.56 A vacancy shall occur on the Board when a Trustee:
 - a. Submits a written resignation to the Board.

- b. Dies.
 - c. Is no longer an elected or appointed officer or employee of a Member.
 - d. Fails to attend three consecutive regular meetings of the Board without the Board having excused such absences except that such additional absence or absences shall be excused for temporary mental or physical disability or illness.
 - e. Is removed by the Members pursuant to Article 5 4.3.
 - f. Is convicted of a felony.
- 5.67 Any vacancy in the position of an elected Trustee may be filled by majority vote of the remaining Trustees until the next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy for the unexpired term.
- 5.78 To the extent permitted by law, Trustees may be reimbursed for expenses incurred in the performance of their duties, as authorized by the Board.
- 5.89 Each Trustee must be a resident of Utah. "Inside directors" may not constitute a majority of the Board, as provided by Utah Code Ann. §31A-5-407.
- 5.910 Subject to the limits described in Article 3.6, the powers of the Board shall include, but not be limited to, the powers to:
- a. Delegate, by resolution adopted at a meeting of the Trustees and specifically defined in the written minutes of the Trustees' meetings, authority for specific functions to the Administrator, but only to the extent permitted by the Code.
 - b. Establish premiums, pursuant to guidelines adopted by the Board from time to time.
 - c. Serve as the policy-holder of any group policies or plans.
 - d. Determine the methods of claim administration and payment; provide for claim experience for the Members collectively or separately; and establish claim procedures and conditions to be met prior to the payment or defense of a claim.
 - e. Jointly self-insure or obtain reinsurance or excess insurance (specific or aggregate), or any combination thereof, or otherwise provide for the funding of coverages' provided by or through the Mutual, as the Board deems appropriate.
 - f. Establish the duties of the Administrator and Director of the Mutual.
 - g. Provide for the administration of the moneys of the Mutual, for the manner of payments to the Mutual, and for payment of all expenses of the Mutual; establish standards for the accountability of all receipts and disbursements of the Mutual; and establish procedures for safekeeping, handling, and investing such monies received or paid.

- h. Acquire, lease, hold, and dispose of real and personal property.
- i. Exercise the full power and authority of any Member of the Mutual when requested to do so by the Member's governing body.
- j. Provide for necessary activities to accomplish the purposes of the Mutual.
- k. Do any act permitted by law and not in conflict with these Amended Bylaws, the Amended Interlocal Cooperation Agreement, or the Articles of Incorporation of the Mutual.
- l. Provide for an independent audit of claim handling procedures, payments, and overall operations of the Mutual, at such times as the Board may determine.
- m. Establish loss reduction, prevention and risk management policies, procedures, and requirements for Members of the Mutual.
- n. Adopt and adjust the coverages provided through the Mutual in concurrence with excess insurers and/or reinsurers.
- o. Enter into contracts as necessary or appropriate for the operation of the Mutual.
- p. Appoint committees from time to time, as the Board considers appropriate; subject to the requirements of Utah Code Ann. §31A-5-412 (1994).
- q. Approve a list of attorneys or firms of attorneys authorized to represent Members in claims covered by or through the Mutual.
- r. Obtain the services of agents, attorneys, brokers, consultants, employees, and service providers as necessary or appropriate for the operation of the Mutual.
- s. Provide risk management services and educational and other programs related to risk management.
- t. Exercise all powers of the mutual except those powers reserved to the Members, and all powers necessary and proper for the operation of the Mutual and implementation of the Mutual, subject to the limits of the Amended Interlocal Cooperation Agreement, the Articles of Incorporation, Amended Bylaws, and the Code. The Board is responsible for all operations of the Mutual.

5.101 Subject to the limits of the Code, the Board shall:

- a. Perform all duties required by the Code, the Amended Interlocal Cooperation Agreement, the Articles, and these Amended Bylaws.
- b. Obtain and provide to Members at least annually an audit of the finances of the Mutual

performed by an independent certified public accountant.

- c. Provide for at least quarterly financial statements to account for income, expenses, assets and liabilities of the Mutual.
- d. Provide at least annually for an actuarial review of the Mutual.
- e. Adopt a budget annually and report the budget to the Members.
- f. Require that fidelity bonds, in an amount to be determined by the Board, be in effect for the Administrator, claims service provider and its employees, and every other person having access to moneys of the Mutual.
- g. Contract with Utah Association of Counties for administrative and management services, including a reasonable fee approved by the Board and Utah Association of Counties to cover the cost of the services so provided.
- h. Appoint an Audit Committee, as provided in Utah Code Ann. §31A-5-412.

ARTICLE 6. Officers, Meetings, Procedures.

- 6.1 The principal offices of the Board shall be: president, vice-president, ~~secretary and treasurer and secretary-treasurer~~. The principal offices shall be held by at least three separate natural persons. Officers shall be elected by and from among the Trustees, at the first Board meeting following each annual meeting of the Members. The Board shall establish the powers and duties of each officer, consistent with these Bylaws, the Agreement and the Articles of Incorporation of the Mutual. All Members of the Board shall have full voting rights. The president shall preside over meetings of the Board and of the Members and shall perform such other duties as may be prescribed from time to time by the Board and the Members. The vice-president shall exercise the powers of the president in the absence of the president.
- 6.2 The Board shall fix the date, time and place of regular meetings that are scheduled in advance over the course of a year. Meetings may be called by the president, or by any five Members of the Board, by written notice mailed at least ten days in advance to all Trustees or by unanimously executed waiver of notice. Emergency meetings of the Board may be held to consider matters of an emergency or urgent nature, after an attempt has been made to notify all Board Members and a majority votes in the affirmative to hold the meeting. Notice, including public notice, of all meetings and the agenda shall comply with applicable laws of the State of Utah.
- 6.3 ~~Five~~ Six Trustees shall constitute a quorum to do business. All actions of the Board shall require a quorum and a majority vote of the Trustees present, except where a different vote is required by these Bylaws.
- 6.4 The Board shall adopt such procedures as it deems necessary or desirable for the conduct of its business.

- 6.5 One or more or all Trustees may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence at the meeting.
- 6.6 The Board shall follow the most recent edition of Roberts Rules of Order, except that the laws of the State of Utah, the Articles, and other specific provisions of these Bylaws shall prevail in the event of any conflict with Roberts Rules of Order.

ARTICLE 7. Financing.

- 7.1. All monies of the Mutual, and earnings thereon, shall be held in the name of and for the use and benefit of the Mutual.
- 7.2 The Board shall establish Member premiums pursuant to guidelines established by the Board from time to time consistent with the Code.
- 7.3 Any refund of surplus moneys shall be consistent with policies adopted by the Board.
- 7.4 Investments of monies of the Mutual shall be limited to those investments permitted by the State Money Management Act of 1974, Utah Code Ann. §51-7-1 et seq. (1994), as amended, and the Code.

ARTICLE 8. Withdrawal from the Mutual.

- 8.1 Any Member may withdraw from the Mutual, at the end of a coverage period after giving the Board timely written notice of such withdrawal, pursuant to a resolution of the Member's governing body. Timely written notice of such withdrawal must be provided to the Board no later than the ninetieth day prior to the date the Member's coverage would otherwise renew. The Board shall consider a timely written notice of withdrawal to be a final decision unless the notice is withdrawn by the Member before the ninetieth day prior to the date the Member's coverage would otherwise renew. The Board may at its sole discretion agree to permit an earlier date of withdrawal.
- 8.2 A withdrawn Member shall lose all voting rights upon the effective date of withdrawal. Any claim of title or interest to any asset of the Mutual, and any continuing obligation of the Mutual to the Member or of the Member to the Mutual, after the effective date of the Member's withdrawal, shall be consistent with these Bylaws, the Amended Agreement and any policy adopted by the Board, and the Code.

ARTICLE 9. Termination of Membership.

- 9.1 A Member which terminates its membership in the Utah Association of Counties shall not be a Member of the Mutual effective as of the end of the policy period during which the termination of the membership occurred.

- 9.2 A Member which fails to pay a premium or any other payment due the Mutual shall have its membership in the Mutual terminated on the sixtieth day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of failure to pay a premium or other amount due the Mutual shall be mailed to the Member at least thirty (30) days prior to the date of termination. A termination of membership under this paragraph ~~13.2~~ 9.2 shall not be subject to the provisions of paragraph ~~13.3~~ 9.3.
- 9.3 Any membership in the Mutual may be terminated by the Board or the Members for failure of the Member to carry out any other obligation of the Member, subject to the following:
- a. The Member shall receive notice from the Board of the alleged failure and shall be given not less than thirty (30) days in which to cure the alleged failure, along with notice that termination of membership could result if the failure is not so cured.
 - b. The Member may request a hearing before and decision by the Members on the termination. The request shall be made in writing to the Board at least five days before the end of the period given by the Board to cure the alleged failure. At such hearing, the Board shall present the case for termination of membership and the affected Member may present its case. The affected Member shall not be counted in determining the number of votes required, nor shall the representative of such Member be entitled to vote on the termination.
 - c. If no request is received pursuant to subparagraph b. of this paragraph 9.3, and if the failure is not cured within the time required by the Board's notice or any extension of such time as the Board may grant, the Board may terminate the membership. The Member may request a hearing before the Board on the proposed termination in lieu of a hearing before the Members. The request shall be made in writing and received by the Board at least five days before the end of the period given by the Board to cure the alleged failure, and shall be granted if so made.
 - d. The Board shall provide the Member at least ten days' prior written notice of the time and place of any requested hearing, and the proposed termination of membership may not take effect until such time after the conclusion of any hearing as the Board or Members, as applicable, may set.
- 9.4 Termination of membership shall be in addition to any other remedy which may exist.
- 9.5 A Member shall lose all voting rights upon termination of its membership. Any claim of title or interest to any asset of the Mutual, and any continuing obligation of the Mutual to the Member or of the Member to the Mutual, after the termination of membership, shall be as determined consistent with the Agreement, these Bylaws, any policy adopted by the Board, and the Code.

ARTICLE 10. Dissolution and Disposition of Property.

- 10.1 The Mutual may be dissolved by the Members as provided in Article 4 and in the Agreement.

In the event of voluntary dissolution of the Mutual, the assets of the Mutual not used or needed for the purposes of the Mutual, including its contractual obligations, shall be distributed, as determined by the Board, only to Utah counties which are Members of the Mutual at the time of dissolution.

- 10.2 Upon partial or complete dissolution of the Mutual by the Members in accordance with Article 4 and the Agreement, the Trustees shall determine, consistent with these Amended Bylaws, all other matters relating to the disposition of property and dissolution of the Mutual by a two-thirds vote of all Trustees.
- 10.3 The Board shall serve as trustees for the disposition of property or funds, payment of obligations, dissolution and winding up of the affairs of the Mutual.

ARTICLE 11. Liability of Board, Officers and Employees.

- 11.1 It is the intent of the Mutual to provide the broadest possible immunity from personal liability to each Trustee, officer, and employee of the Mutual allowed by applicable laws of the State of Utah including, but not limited to, the Governmental Immunity Act, the Corporations Code and the Insurance Code, as amended from time to time. The Mutual shall defend and indemnify the Trustees, officers and employees of the Mutual against any and all expense, including attorney fees and liability expenses, sustained by them or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties to the fullest extent allowed by the laws of the State of Utah. The Mutual shall purchase liability or other appropriate insurance providing coverage for the Trustees, officers and employees of the Mutual. Nothing herein shall be deemed to prevent compromises of any litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.

ARTICLE 12. Arbitration.

- 12.1 To the extent permitted by any applicable reinsurance or excess insurance, if the Board or its authorized representative and a Member disagree on whether a loss is covered through the Mutual or on the amount of a covered loss, the Board or its authorized representative or the Member may request that the disagreement be submitted to binding arbitration as follows:
 - a. Unless otherwise agreed by the Board or its authorized representative and the Member, three persons shall be selected for the arbitration panel, one by the Board or its authorized representative, one by the Member, and one by the two so selected to act as umpire to decide the items upon which the other two disagree. If the two so selected fail for fifteen days to agree upon the umpire, the dispute of coverage shall be submitted to the American Arbitration Association for arbitration pursuant to their standard rules and regulations.

- b. The decision of the panel shall be binding on the Board or its authorized representative and the Member.
- c. The Mutual shall pay the fees and expenses of the panelist selected by the Board or its authorized representative, the Member shall pay the fees and expenses of the panelist selected by it, and the fees and expenses of the umpire shall be shared equally by the Mutual and the Member.

ARTICLE 13. General Provisions.

- 13.1 Except as provided in these Amended Bylaws and to the extent of the financial contributions to the Mutual agreed to herein or such additional obligations as may come about through amendments to these Amended Bylaws, no Member agrees or contracts herein to be held responsible for any claims made against any other Member. The contracting parties intend in the creation of the Mutual to establish an organization to operate only within the scope herein set out and have not herein created as between Member and Member any relationship of partnership, surety, indemnification, or responsibility for the debts of or claims against any other Member.
- 13.2 The laws of Utah shall govern the interpretation and performance of these Amended Bylaws.
- 13.3 In the event that any portion of these Amended Bylaws is held invalid or unenforceable, such invalidity or unenforceability shall not affect other portions, and these Amended Bylaws are expressly declared to be severable.
- 13.4 These Amended Bylaws do not relieve any Member of any obligation or responsibility imposed upon it by law except to the extent that actual and timely performance thereof by the Mutual satisfies such obligation or responsibility.
- 13.5 All moneys received by the Mutual are public funds, including earned interest, derived from its Members which are counties within the State of Utah.
- 13.6 It is the intention of the Members that the Mutual and any income of the Mutual not be subject to taxation, and the Members shall cooperate in such respects, including amending these Amended Bylaws, as reasonably necessary to establish and maintain the non-taxable status of the Mutual.
- 13.7 Except as permitted in these Amended Bylaws, and amendments hereto, neither the Board nor any other person or entity is authorized to incur liabilities or obligations or enter into contracts on behalf of the Members.
- 13.8 In the event of the payment of any loss by the Mutual under this Agreement, the Mutual shall be subrogated to the extent of such payments to all the rights of the Member against any other person or other entity legally responsible for damages for such loss, and in such event the Member agrees to render all reasonable assistance to effect recovery.

Dated this _____ day of _____, 1997.

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____

Print Name: _____

Title: _____

Date: _____

UAC INSURANCE MUTUAL

Board of Trustees Meeting

Friday, January 30, 1998, 9:30 a.m.
Utah Association of Counties Offices
4021 South 700 East, Suite 180, Salt Lake City

A G E N D A

9:30	Call to Order	Gary Herbert
	Review of Board Members Absent	Gary Herbert
	Approval of December 11, 1997, Minutes	Gary Herbert
	Loss Control Report	Shawn Guzman
	Fourth Quarter Brokerage Performance Evaluation	Gary Herbert
	Draft Bylaws Changes	Brett Rich
	1. Ex-officio Members	
	2. Nominating Process	
	3. Combining Offices	
	4. others	
	Tenant User Liability Insurance Program	Brett Rich
	1998 Contracts	Brett Rich
	1. Accounting	
	2. Actuarial	
	Weber County Membership Proposal	Brett Rich
	Salt Lake County Proposal	Brett Rich
12:00	Lunch	
	Director's Report	Brett Rich
	Summary of November & December Financial Statements	Brett Rich
	Broker Report	John Chino
	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
	Set Date and Time for Closed Meeting to Discuss the Character, Professional Competence, or Physical or Mental Health of an Individual	
	Other Business	Gary Herbert
1:30	Adjourn	

